

BPCA / NYS: June 2010 Newsletter, Volume 1, Issue 3

Organizational Update:

The Board of Directors organized a two day retreat, held June 9th and 10th to focus on understanding the organizations strengths and weakness and develop a new strategy to strengthen and grow. Identifying the organization's core values was a focal point which lead to the drafting of a revised mission statement (to be finalized). A large portion of the retreat was spent learning and reviewing our current Education and Training Program, the HERS Providership and advocacy efforts representing building performance professionals. As a result the Board has decided to improve the existing committee structure and encourage more membership participation. In the near future, we will be updating the BPCA website stating all the Committees, the Committee Chair and schedule of their meetings.

STATE POLICY UPDATES:

Green Jobs Green NY:

There is pressure coming from the State legislature and Governor's Office for NYSERDA and the Advisory Council to get a program off the ground ASAP. Many areas of the program have not been fully discussed or vetted by NYSERDA or the Advisory Council process. A large question is the status of how GJGNY will likely play out in LIPA territory and for LIPA Home Performance Contractors. The legislation gives NYSERDA the authority to administer the program across the state and to allocate funds to LIPA territory.

Another area under discussion is the [Draft Aggregation Model](#) and its Function within GJGNY. The plan discusses the definition of aggregation and how NYSERDA will likely deploy an aggregation model via pilot programs selected from constituency based organizations that submit initial outreach proposals. The HPwES contractors interested would have to sign an Aggregation Participation Agreement and agree to 'use standardized pricing for Aggregations,' 'to hire some percentage of future employees over the term of their Agreement from the local region (of at least 75,000 people) as well as, have some kind of structured training program to enable the continued career development for employees.

One issue of particular importance for home performance contractors is the creation of "Contracting Standards" by NYSERDA. At this point, it appears that NYSERDA intends to fully integrate the GJGNY initiative with the HPwES program and that there would not be any distinction between a home performance and a GJGNY project. The Center for Working Families (CWF) has prepared a Proposal for "Contracting Standards" that will be submitted to NYSERDA. Unfortunately, the CWF's proposal contained a number of problematic issues that BPCA could not support. The BPCA Board of Directors has drafted a response to a Center for Working Families (CWF) proposal on Contracting Standards that explains why we could not support the proposal. In summary, the Board felt that the sections of the proposal that dealt with Employment and Hiring Standards and Wage Standards were too restrictive and imposed formal requirements on contractors that would significantly add to overhead costs in terms of record keeping and reporting.

If you have questions or comments about these issues, please send them to the [BPCA Home Performance Committee](#).

Labor and Workforce

The activities of labor unions and allied organizations in New York are indicative of the climate of labor-contractor relations on a National Level. From the onset, labor organizations such as LIUNA, were sitting at the table discussing the legislative language used for GJGNY and Home Star. They continue to be a major player. As organized labor unions and organizations begin to shift their focus towards residential retrofit and construction, the workforce for our market is likely to change. Thus far in New York, the Public Service Commission has supported market transformation with some incentives to promote the advancement of highly skilled, BPI certified individuals and for companies to obtain BPI Accreditation. However, at this time the labor unions are using political vehicles to change the home performance contracting industry. In contrast, BPCA is advocating that all workers, installers, and companies be at an equal and competitive level with open training, businesses and marketing practices. BPCA wants the industry to grow and produce high quality jobs that benefit both workers and homeowners.

Property Accessed Clean Energy (PACE)

Legislative amendments in the NYS Senate, [S. 7683](#) call for the expansion of the existing PACE statute to include additional available funding sources other than federal ARRA funds. These amendments will allow NYSERDA to gain an advantage in the market, acting as a finance aggregator for municipalities to assist them in developing sustainable finance programs. Although this bill would have no State budget implications reasons concerning its delayed passage is related to risks associated with the need to leverage private funds.

However, recent controversy has setback the operation of many PACE programs throughout the US. Fannie Mae and Freddie Mac circulated letters stating that the two government-backed mortgage companies would not accept loans on properties that have PACE liens attached to them. They specifically did not like the idea that PACE liens could take precedence over existing mortgage debt and that it might create new debt. As a response, a recent article in Greentech Media "[Will Fanny and Freddy Stop PACE?](#)," in support of PACE goes on to say, "The money that a homeowner would use to pay for PACE improvements is already being used to pay his or her utility bills each month. There is no new debt created ... reduce the cost of a property's monthly energy bills through PACE and you're putting money back in the pockets of the property owner, funds that actually reduce the risk of default on the mortgage."

Efficiency First's nonprofit research arm, the Home Performance Resource Center (www.hprcenter.org), has [current legal status of PACE financing nationwide](#). A total of 23 states have authorized PACE financing programs under new or pre-existing laws; legislation authorizing PACE financing is pending in five more states.

On-Bill Recovery

New legislation, [S. 7565](#), related to On Bill Recovery was introduced into the NYS Senate Energy and Telecommunications Committee. The bill relates to the Green Jobs Green NY program and the enactment of an on bill recovery system established by NYSERDA to work in collaboration with LIPA and Utility companies. This legislation would help to enact a different financing mechanism to support participation of both homeowners and renters within the GJGNY program. In order for the end-use customer to receive maximum energy savings, homeowners or tenants would be able to have retrofit work performed on their home and pay a loan back on their utility bill using the savings from reduced energy usage.

Although the legislation S. 7565 has only been introduced into the Senate Finance Committee it is likely that Assemblymen Cahill or Assemblymen Silver will introduce it on the assembly side. A majority of the concerns voiced by Republicans was the Utility's ability collect GJGNY repayments and how that does not restrict the Utility's discretion to terminate service to delinquent customers.

It is the hope that is enough public support and political strength to overcome the obstacles in Albany (and across the US) to pass both the On Bill Financing and PACE amendments before summer recess.

Efficiency First-NYS:

Efficiency First members in NYS have begun to step-up and become active in the newly formed “Working Groups” of the NYS Chapter of Efficiency First. Each Working Group has a policy area to focus on, keeping track of related events and legislation across NY in order to weigh in on issues and inform the chapter membership. The Working Groups include:

- Labor and Workforce (led by Damian Hodkinson);
- PACE and On-Bill Recovery (led by Jenna Dern);
- NYS Public Service Commission (led by Pasquale Strocchia)
- Green Jobs Green NY

BPCA members are strongly encouraged to join Efficiency First and become involved with these and other Working Groups.

The new **Home Performance Resource Center** was established to conduct policy and market research in support of the Home Performance industry. The website has a great case studies and white papers related to New York State such as:

- [Best Practices Case Study: Long Island Green Homes](#)
- [Best Practices Case Study: NYSERDA HPw/ES](#)
- [Best Practices- White Paper](#)

Are you a member of Efficiency First NYS yet?

As many of you know, New York has more issues that are way more complicated than most other states. The energy efficiency, clean energy economy, building performance, residential retrofit industry is growing and on the brink of moving on to the next level. We need a national presence to bring the industry together to voice our concerns, debate, solve problems and promote our best practices.

BPCA/NYS has partnered with Efficiency First to be the vehicle for political advocacy capacity for both organizations. The expansion of our efforts to create a NYS Chapter of Efficiency First was a natural due to BPCA’s existing organized membership base of home performance contractors and HERS raters.

However, the reality is that we need more people to become involved and active in Efficiency First-NYS. The more members we have, the more power and influence we have on programs, policy, and decision makers. **[If you are not already a member of Efficiency First, think about it and join here.](#)**

FEDERAL POLICY UPDATES:

RESNET, National Home Energy Rating Standards

Following conversations about Home Star at the RESNET conference, the organization decided to modify its standards to incorporate guidelines for combustion safety testing and work-scope development. RESNET’s Technical Committee enacted a process to modify the existing HERS Standard and would like comments on the [proposed interim draft guidelines](#). The interim guidelines incorporate standards from BPI and the Texas Home Energy Ratings Organization.

RESNET is requesting comments to be submitted by *July 1st, 2010*. It is especially critical for RESNET to hear from Raters in NYS that also have their BPI Certification. Please submit your responses to: [BPCA, RESNET Comment Submissions](#).

Home Star:

The May 19th and 20th Lobbying Days in D.C. had over 100 contractors from across the US visiting Senate offices to promote the passage of Home Star. Our presence was known; Senators and other members of Congress noted our experience and the expertise of our industry. Since that effort, [Home Star](#) was re-introduced into the Senate Finance Committee with as of today 19 Co-Sponsors (both Senator Gillibrand and Schumer have signed on). There is even critical Republican co-sponsorship through Sen. Olympia Snowe (R-ME), Sen. Scott Brown (R-MA), and Sen. Lindsey Graham (R-SC).

The legislation has shifted a bit; Senator Bingaman (D-NM) made an agreement with Senator Snowe to revise the legislation to proportionally modify the allocation of Silver and Gold Star rebate program funds to have \$1 billion fund a performance-based tax credit for efficiency retrofits. Rebate levels remain the same for Silver and Gold Star. This tax credit is a minimum of \$3,000 for a whole home retrofit that meets a HERS score of 100 for buildings constructed before 2000 and a HERS score of 85 for buildings constructed after 2000; it is capped at \$8,000 or 50% of project cost. The tax credit is intended to begin after the Gold Star program expires, extending the benefits of the program.

It is now up to the Senate leadership to make the passage of Home Star a **priority**. We need to continue to put the pressure on:

- Sen. Max Baucus, Finance Committee Chair,
- Sen. Charles Schumer, Member of Finance Committee
- Sen. Harry Reid, Senate Majority Leader

Take action by [clicking here](#).

EPact Energy Efficiency Tax Credit for Home Builders

On June 2nd, the House of Representatives passed HR 4213, the American Workers, State, and Business Relief Act of 2010 and on June 9th a revised version of the bill was approved by the Senate. This revised bill includes a one-year extension of the \$2,000 federal tax credit for energy efficient new homes. Section 206, New Energy Efficiency Home Credit extends the eligibility of obtaining this credit retroactively from January 1 through December 31, 2010. The language involving the tax credit is likely not be altered during a reconciliation process between both the House and Senate. At this time, we do not have a read on how long it may be before this legislation may be approved and signed by President Obama into law.